

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2015)

Docket No. ACR2015

**SECOND MOTION OF THE ASSOCIATION FOR POSTAL COMMERCE
FOR ISSUANCE OF INFORMATION REQUEST
(January 29, 2016)**

Pursuant to 39 C.F.R. § 3001.21(a), the Association for Postal Commerce (“PostCom”) respectfully requests that the Presiding Officer issue an Information Request to obtain answers to the questions stated in this motion. As with the questions included in PostCom’s previous motion for information requests, these questions will allow interested parties and the Commission to evaluate whether certain initiatives instituted by the Postal Service in the recent past in the name of reducing operational costs have in fact achieved the promised savings. Additionally, the answers to these questions should help explain radical changes in reported avoided costs associated with certain workshare discounts. This information will allow the Commission to make informed decisions regarding Postal Service proposals as well as assist the Commission with its evaluation of workshare discounts.

Accordingly, PostCom respectfully requests that the Commission pose the following questions to the Postal Service:

1. Please refer to Library Reference “USPS-FY15-19 – FY 2015 Delivery Costs by Shape,” FSS Volume Inputs tab of the FSSDeliveryModel15 worksheet, where USPS reports that 18% of Periodicals Flats, 20% of BPM Flats, 26% of Standard Mail Flats, and 17% of Carrier Route Flats are destinating in FSS Zones. With respect to these percentages:
 - a. What percentage of total Flats volume would USPS like to see destinating in FSS zones?

- b. What percentage of total volume creates the most efficient processing for FSS?
 - c. If FSS were operating at maximum efficiency, what percentage of each Flat category described above would be destinating in FSS zones?
- 2. For the following questions, please refer to Library Reference “USPS-FY15-19 – FY 2015 Delivery Costs by Shape,” Summary tab of the FSSDeliveryModel15 worksheet:
 - a. Please describe the work associated with In-Office Direct Labor, Non-Casing.
 - b. Please explain why the City Carrier Total Unit Cost is significantly higher than Rural Carrier Total Unit Cost in both destinating FSS zones and destinating non-FSS zones.
 - c. Explain why the City Carrier Street Unit Cost is significantly higher in destinating FSS zones than in destinating non-FSS zones.
- 3. Please refer to Library Reference “USPS-FY15-19 – FY 2015 Delivery Costs by Shape,” FSS Inputs tab of the FSSDeliveryModel15 worksheet, where USPS reports that 24% of Flats destinating in FSS Zones are not finalized on FSS equipment and that 7.5% of Flats mail is collated with cased mail.
 - a. Please explain why 24% of Flats destinating in FSS zones are not finalized on FSS equipment.
 - b. Please describe any steps USPS is pursuing to decrease the percentage of Flats destinating in FSS zones that are not finalized on FSS equipment. If USPS is not taking any steps to reduce this percentage, please explain why.
 - c. Please describe how pieces that are neither part of the 24% of Flats destinating in FSS zones not finalized on FSS equipment nor the 7.5% of Flats mail collated with cased mail are processed in destinating FSS zones.

4. Please explain the following changes in avoided cost reported in Library Reference “USPS-FY15-3 – FY 2015 Discounts and Passthroughs of Workshare Items” when compared to the analogous Library Reference from ACR2014:

- a. First-Class Automation Mixed AADC Letters: from \$0.046 to \$0.033 (28% decrease);
- b. Standard Mail Dropship DNDC Letters: \$0.321 to \$0.016 (95% decrease);
- c. Standard Mail Dropship DSCF Letters: \$0.376 to \$0.20 (95% decrease);
- d. Standard Mail Carrier Route Dropship DNDC Letters: \$0.321 to \$0.016 (95% decrease);
- e. Standard Mail Carrier Route Dropship DSCF Letters: \$0.375 to \$0.020 (95% decrease);
- f. Standard Mail High Density Dropship DNDC Letters: \$0.321 to \$0.016 (95% decrease);
- g. Standard Mail High Density Dropship DSCF Letters: \$0.376 to \$0.020 (95% decrease);
- h. Periodicals Saturation Presorting: \$0.034 to \$0.007 (79% decrease).

Respectfully submitted,

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